

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
Region I - EPA New England

Drafted Date: April 30, 2013

Finalized Date: May 7, 2013

SUBJECT: Full Compliance Evaluation of Gateway Terminal, New Haven, CT

FROM: Elizabeth Kudarauskas, Environmental Engineer, Air Technical Unit

THRU: Christine Sansevero, Senior Enforcement Coordinator, Air Technical Unit

TO: File

EAC
5/7/13

CMS
5/7/13

I. Facility Information

- A. Facility Name: Gateway Terminal Inc.
- B. Facility Location: 400 Waterfront Street New Haven, CT 06512
- C. Facility Mailing Address: same
- D. Facility Contact: Jim Lloyd, Manager
- E. Type of Source (major/minor/sm/sm80): Minor
- F. Date Title V permit issued: NA
- G. AFS #: 0900903372

II Background Information

- A. Date of inspection: April 10, 2013
- B. Weather Conditions: sunny, temps in the 50's
- C. US EPA Representative(s):
Beth Kudarauskas, Air Tech Unit, OES
Bill Osbahr, OEME
- D. State Representative(s): Lou Santos, CT DEEP

III Purpose of Inspection

The purpose of this inspection was to evaluate applicability and compliance of Gateway Terminal with respect to the Subpart R and Subpart BBBBBB MACT regulations for gasoline storage and distribution. In addition, EPA conducted monitoring to determine whether excess VOC emissions were being emitted from the facility.

EPA also used the inspection to gather information on the storage and distribution of #6 oil and asphalt at the Gateway Terminal in the New Haven, CT area.

IV Facility Description

A. Company / Facility History

The Gateway Terminal in New Haven, CT is divided into two separate areas based on operating function. The oil terminal side has seven oil tanks and an oil dock. The dry cargo side has a separate dock and handles bulk dry products such as road salt, cement, steel products and scrap metal.

The Gateway facility is considered a “for hire terminal” meaning that Gateway Terminal is responsible for storing, handling and distributing the products. However, Gateway Terminal does not own the product.

B. Corporate Structure and CEO/President/owner name and mailing address

Lex Atlantic Corporation is the parent company of Gateway Terminals. The main office for Gateway Terminal is located at 400 Waterfront Street in New Haven, CT.

C. Number of Employees and Working Hours

The facility loading operations are conducted 24 hours a day, 7 days a week. Gateway Terminal currently employs approximately 30 people at the terminal.

V Inspection

A. Entry

The EPA and CT DEEP inspectors arrived unannounced at the Gateway Terminal facility located on Waterfront Street at 9:00 am. The EPA inspectors (Ms. Kudarauskas and Mr. Osbahr) showed their credentials to Mr. Jim Lloyd and Mr. Ed Evans of Gateway Terminal. Mr. Santos identified himself as an inspector from CT DEEP.

B. Opening Conference

The inspectors met with Mr. Lloyd of Gateway Terminal for the opening conference. During the opening conference, Ms. Kudarauskas explained that the purpose of the inspection was to evaluate compliance with air regulations. The inspectors explained that they were planning to evaluate compliance with gasoline regulations and to gather information about the storage and distribution of #6 oil and asphalt by Gateway Terminals.

Mr. Lloyd explained that Gateway Terminal has two operations at the facility in New Haven. In New Haven, Gateway operates a dry goods terminal and an oil terminal. At the dry goods terminal Gateway handles dry bulk goods for customers including road salt, scrap metal, steel products, and concrete. At the oil terminal Gateway has five large distillate tanks and two asphalt tanks with loading racks.

At the time of the inspection all large distillate tanks were empty and clean and the two asphalt

tanks contained tank bottoms only. Gateway plans to have both asphalt tanks empty and cleaned within six months. Mr. Lloyd explained that the oil tanks were empty because the facility did not have a tenant for the oil terminal. Gateway typically operates the oil terminal with a tenant with a five year contract. The tenant owns the product in the tanks and Gateway operates the terminal. Gateway is actively looking for a new tenant.

Although Gateway typically deals with customs, immigration and the coast guard, they are not the importer of record. Typically Gateway's customer (or tenant) is the importer of record.

In addition to the dry goods and oil terminal, Gateway owns a fleet of trucks including 6 asphalt trucks, 3 small pickup trucks, and one distillate trailer. Gateway has a separate dock for the dry goods terminal and the oil terminal and owns six tug boats.

At the New Haven facility, Gateway has a distillate loading rack that has been closed for 5 years and an asphalt loading rack that was closed for the winter in December and has not reopened. Gateway does not plan to open the loading racks until a tenant has product at the facility.

The oil terminal has a boiler that burns #4 oil that is used when temperatures are below freezing to keep the steam and supply lines from freezing. When there is product in the biofuel tank, the boiler is used to heat the tank to approximately 50°F. The biofuel tank was previously a #6 oil tank that has been cleaned. The insulation was kept on the tank and the tank is now used for biofuel.

The asphalt tanks are heated using a closed loop hot thermo oil system. Two dual fuel Industrial Combustion burners primarily burn natural gas but have the capacity to burn #2 oil. The burners heat the thermo oil which is circulated through the asphalt tanks to heat the product.

The Gateway facility has a 2,000 gallon gasoline tank that is used to fuel company vehicles. Gateway does not have any retail sales of gasoline.

There are no emergency generators at the facility but there is one Safety Kleen parts washer in the maintenance garage.

C. Plant Walkthrough

The inspectors conducted a walkthrough of Gateway Terminal's Waterfront Street location on April 10, 2013.

Mr. Lloyd first led the inspectors to the boiler that is used to keep the pipes from freezing in cold weather and to heat the biofuel tank. The unit is a 13 million BTU/hr Johnson boiler with serial number of S 3841, which burns #4 oil. Mr. Lloyd stated that CT combustion did an initial tune

up on the boiler when it was operating during the winter. The boiler was not operating at the time of the inspection. A 20,000 gallon storage tank for #4 oil is located behind the boiler building.

The inspectors also saw two Industrial Combustion heaters. Each unit is rated at 12 million Btu/hr and burns natural gas but has the ability to burn ULSD. These heaters have an associated 6,000 gallon tank for storing ULSD. The units do not produce steam or operate under pressure and the facility does not consider them boilers. Rather, these units heat oil which is then pumped to asphalt tanks for heat.

The Gateway facility has a maintenance garage with a Safety Kleen parts washer unit. At the time of the inspection the parts washer was not in use and the cover was closed. Safety Kleen gold is the solvent product used in the parts washer.

The inspectors walked through Gateway Terminal's tank farm. All tanks on the property are insulated so they can store products that need to be heated (such as #6 oil, asphalt, or biofuel). However, most of the tanks have been most recently used for storing distillates. At least one tank at the Gateway Terminal sustained substantial damage from Hurricane Sandy. At the time of the inspection all tanks were not heated and empty.

The inspectors walked out on the dry cargo dock. At the time of the inspection road salt was being unloaded from a ship into Gateway dump trucks. The trucks carry loads of road salt to a nearby Gateway storage facility.

Also in the dry cargo area of the terminal is a 2,000 gallon gasoline storage tanks with a pump to fuel company vehicles only. The gasoline pump was equipped with a gallon meter to track gallons dispensed per sale and total. The facility fills the gasoline tank with a tanker truck delivery. Mr. Lloyd estimated that Gateway dispensed approximately 1,500 gallons of gasoline per month.

E. Records Review

Mr. Lloyd provided the inspectors with a copy of the boiler start up report. The report was dated 9/26/2012 and 11/15/2012 and included measurements and efficiency ratings for the boiler.

Mr. Lloyd confirmed that the date that the heat was turned off on the asphalt tanks was November 31, 2012.

Later in the day on April 10, 2013, Mr. Lloyd emailed Ms. Kudarauskas the gasoline purchase records for the gasoline tank and fueling station.

**GATEWAY TERMINAL GASOLINE
PURCHASED FROM FORBES 2012**

DATE	GALLONS	TICKET#
1/16/2012	1500.00	27752
2/10/2012	1501.00	28337
3/9/2012	1500.00	28708
4/4/2012	1500.00	28479
5/7/2012	1500.00	29757
6/7/2012	1500.00	30323
7/6/2012	1500.00	30768
7/16/2012	890.20	30998
8/3/2012	1500.00	31435
9/6/2012	1499.00	32204
10/5/2012	1486.60	32480
10/28/2012	1000.00	32505
11/23/2012	1200.00	32949
TOTAL	18076.80	

F. Closing Conference

The inspectors conducted a brief closing conference at the end of the inspection. Ms. Kudarauskas completed the multimedia checklist and reminded the Gateway terminal employees about the CT anti-idling regulations.

The inspectors thanked Mr. Lloyd for his time and left the facility at approximately 11:30 am.

